(d) if so, the details thereof;

(e) whether there is any proposal to set up India Investment Corporation for providing loan to the infrastructure sector; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Reserve Bank of India (RBI) brings out bi-annual reports titled "Report on Foreign Exchange Reserves" with reference to positions as of 31st March and 30th September each year, with a time lag of about 3 months. The latest Report on Foreign Exchange Reserves as of September 30, 2007 was released on January 22, 2008. As per the Report, the level of foreign exchange reserves including gold, Reserve Tranche Position in the IMF and Special Drawing Rights stood at US$ 247.8 billion as at end September 2007.

(b) As per the latest data made available by the RBI, in its 'Weekly Statistical Supplement', the foreign exchange reserves including gold, Reserve Tranche Position in the IMF and Special Drawing Rights were placed at US$ 301.2 billion.

(c) to (f) A wholly owned off-shore subsidiary of India Infrastructure Finance Company Limited was registered in London on February 7, 2008. This subsidiary would borrow funds from the RBI and lend to Indian companies implementing infrastructure projects in India. RBI would provide funds to this subsidiary in the form of 10 year maturity US dollar denominated bonds with a face value of US dollar one million, with the maximum aggregate issuance of US dollar 5 billion. The bonds will be fully guaranteed by the Government of India for both principal and interest. So far no project has been identified for funding.

Regulation of Micro Credit Financial Agencies

1147. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to regulate the Micro Credit Financial Agencies; and

(b) if so, the details thereof and the number of such agencies in various States for the last three years, year-wise, State-wise and category-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. The Government has introduced a Bill in Lok Sabha on 20.03.2007 called "The Micro Financial Sector (Development and Regulations) Bill, 2007" to create environment friendly policy for micro-finance services in the country. The Bill is intended to provide a formal statutory framework for the promotion, development and regulation of the micro finance sector. The salient features of this Bill are as follows:-

(i) entrusts the function of development and regulation of the micro financial sector to the National Bank for Agriculture and Rural Development (National Bank);

(ii) defines the various entities engaged in the activity of micro finance such as Co-operative Societies, etc.

(iii) defines various categories of beneficiaries of micro financial services as eligible clients :luding Self Help Groups (SHGs) or joint liability groups of such eligible clients;

)vides for acceptance of thrift i.e. savings of eligible clients other than in the form current account or demand deposit account by Micro Finance Organisations

registered by the National Bank, subject to such terms and conditions as may be prescribed;

(v) provides for registration of Micro Finance Organisations that undertake thrift;

(vi) provides for creation of a reserve fund and maintenance of accounts and submission of periodical returns by Micro Finance Organisations;

(vii) provides for functions and powers of the National Bank in relation to thrift services and micro financial services.

(viii) empowers the National Bank to frame a scheme for appointment of one or more Micro Finance Ombudsman for settlement of disputes between eligible clients and Micro Finance Organisations;

(ix) empowers the National Bank to make regulations with the previous approval of the Central Government for carrying out the purposes of the legislation.

Micro Finance Institutions (MFIs) are presently not regulated. As such the Data Reporting System, does not generate such data. However, it is estimated that the MFIs of various sizes, as indicated in the table below, are functioning as on March 2007:

MFIs	Number	Client Outreach	Loan portfolio
Large	8	> 1 lakh	> Rs. 100 crore
Medium	30(+)	> 50K to 1 lakh	Rs. 210 cr. To Rs. 100 cr.
Small	50(+)	>25K to 50K	Rs. 3cr. To Rs. 20 cr.
Very Small	1000(+)	<25K	<Rs. 3 crore

Farmers under Tax net

†1148. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government is considering to bring some big farmers under the ambit of taxation; and

(b) if so, the details thereof and the norms being fixed for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) (i) Taxation of agricultural income is outside the purview of the Union Government as 'Taxes on agricultural income' is in the 'State List' contained in Schedule VII of the Constitution of India. Under the existing provisions of the Income Tax Act, 1961, agricultural income of any person is exempt from income tax under section 10(1). Agricultural income is included in the computation of income of a person for rate purposes only. There is no proposal to do away with this exemption for any category of person.

(ii) Any other non-exempt income of a person is subject to tax as per the Income-tax Act, 1961, irrespective of the fact whether such person is a big farmer or otherwise.

(b) Does not arise.

†Original notice of the question was received in Hindi.